

CONSOLIDATED SAFEGUARDS LIMITED

REGISTERED NUMBER 1450955

REPORT OF THE DIRECTORS 1996

The directors submit their annual report, together with the accounts of the company for the 52 weeks ended 29 December 1996.

PROFIT AND LOSS ACCOUNT

During the period the company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss.

PRINCIPAL ACTIVITY

The company did not trade during the period.

DIRECTORS

The directors who served during the year were:

AA Bourne	-	appointed 21 August 1996
GT Brown	-	appointed 21 August 1996
CT Pearce	-	resigned 21 August 1996
R Ward-Jones	-	resigned 21 August 1996

The interests of Messrs AA Bourne and GT Brown in the shares of Rentokil Initial plc are as follows:

Rentokil Initial plc, ordinary shares of 2p each

	<u>At Date of Appointment</u>	<u>29 December 1996</u>
AA Bourne	1,273	1,273
GT Brown	4,311	4,311

Share Options

	<u>AA Bourne</u> No. of shares	<u>GT Brown</u> No. of shares
At date of appointment and at 29 December 1996	<u>70,500</u>	<u>88,000</u>

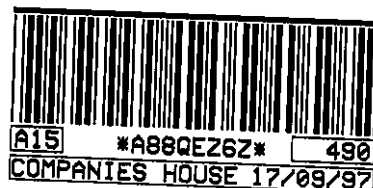
At 29 December 1996 the above directors held options under the share option scheme approved by shareholders in April 1973, May 1983, December 1984, September 1989, May 1991, May 1992 and May 1996 to subscribe for shares in Rentokil Initial plc at prices ranging from 217.330p to 402.270p expiring between 2003 and 2006 depending on the date of the grant.

The highest and lowest price of the Rentokil Initial plc shares during the period was 447p and 325p respectively. The market price of Rentokil Initial plc shares at 29 December 1996 was 437p.

By order of the board


GT Brown
Secretary

Felcourt
East Grinstead
West Sussex
RH19 2JY



11 March 1997

CONSOLIDATED SAFEGUARDS LIMITED
BALANCE SHEET - 29 DECEMBER 1996

	<u>1996</u> £	<u>1995</u> £
CURRENT ASSETS:		
AMOUNTS OWED BY GROUP COMPANIES	242,108	242,108
CREDITORS: (amounts falling due within one year)	(161,960)	(161,960)
NET CURRENT ASSETS	80,148 =====	80,148 =====
REPRESENTING:		
SHARE CAPITAL		
Authorised 10p ordinary shares	10,000	10,000
Authorised £1 deferred shares	10,000 =====	10,000 =====
Issued and fully paid 10p ordinary shares	1,000	1,000
Issued and fully paid £1 deferred shares	10,000	10,000
Share premium account	7,000	7,000
PROFIT AND LOSS ACCOUNT	62,148 80,148 =====	62,148 80,148 =====

The company was dormant within the meaning of section 250 of the Companies Act 1985, there having been no accounting transactions throughout the period.


 DIRECTOR
 AA Bourne

The notes on page 3 form part of the accounts

CONSOLIDATED SAFEGUARDS LIMITED

NOTES TO THE ACCOUNTS - 29 DECEMBER 1996

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these accounts, the directors are required to:

- adopt suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards;
- prepare the accounts on a going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

2. During the period the company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss. None of the directors received any emoluments in respect of their services to the company. The company's annual filing fees for the 52 weeks ended 29 December 1996 have been borne by Securiguard Group plc.

3. The holders of the £1 Deferred Shares are entitled to the following rights:

- (i) no right to receive any dividends;
- (ii) on a return of assets on liquidation or otherwise the right to receive out of the assets of the company available for distribution amongst the members such a sum not exceeding the amount paid up on the Deferred Shares as may be available after payment to the holders of the Ordinary Shares the sum of £10.00 per share; and
- (iii) no right to receive notice of or to attend or vote at any general meeting of the company.

4. The company's immediate parent company is Servicelink Holdings (UK) Limited.

The company's ultimate parent company is Rentokil Initial plc, which forms the only group into which the financial statements of the company are consolidated. The consolidated financial statements of Rentokil Initial plc are available from Felcourt, East Grinstead, West Sussex, RH19 2JY.

5. The accounts were approved by the board of directors on 11 March 1997.

6. The company is party to a composite cross guarantee entered into by certain group companies where, at 29 December 1996, total bank borrowings were £7,271,000 (1995: £1,558,000).